

May 15, 2008



**TRANSCRIPT**  
**May 15, 2008**

**MONTGOMERY COUNTY COUNCIL**

**PRESENT**

Councilmember Michael Knapp, President  
Councilmember Roger Berliner  
Councilmember Valerie Ervin  
Councilmember George Leventhal

Councilmember Phil Andrews, Vice-President  
Councilmember Marc Elrich  
Councilmember Nancy Floreen  
Councilmember Duchy Trachtenberg



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1 Council President Knapp,

2 Good afternoon everyone. We are not going into session just yet. Hold up. Folks. In  
3 case you could not tell, we are full today. Unfortunately, we are also doing asbestos  
4 removal in the third floor conference room that began this morning so we can't move  
5 down there, but what we have set up is in the cafeteria, there is the television and we  
6 have places for people to go. We are going to have to get some of this area clear so we  
7 can actually be somewhat in compliance with the fire code. But I just wanted to put that  
8 out there, give people a few minutes, we've got a few minutes before we'll actually go  
9 into session, but I just need to put that out there for folks because we're going to have to  
10 at least get some pathways so we can get folks in and out if we need to. So we do have  
11 television in the cafeteria on the second floor and Linda Lauer is directing traffic as  
12 necessary outside that door right there. Thank you. Okay. Good afternoon everyone.  
13 Welcome. Sorry for the delay. We are continuing the Council's deliberation on the FY09  
14 Capital and Operating Budgets. We have a couple of things before us today. I'm going  
15 to flip flop the schedule a little bit. It says we start with a worksession. I'm actually going  
16 to go to the Consent Calendar first and then we have to go to District Council Session  
17 and dispose of those items, then we'll go back to the worksession on the budget. We  
18 have before us the Consent Calendar and I would ask for a motion.

19  
20 Councilmember Floreen,  
21 So moved.

22  
23 Council President Knapp,  
24 Moved by Councilmember Floreen.

25  
26 Councilmember Ervin,  
27 Second.

28  
29 Councilmember Leventhal,  
30 Second.

31  
32 Council President Knapp,  
33 Seconded by Councilmember Ervin. Any discussion on the Consent Calendar as  
34 presented to us? I see none. All in support of the Consent Calendar please indicate by  
35 raising your hand. That is unanimous. Thank you very much. We now turn to District  
36 Council Session. We have one Introduction, Resolution to approve a policy for the  
37 decision-making sequence involving the abandonment of a public right-of-way. Action is  
38 tentatively scheduled for May 22nd. Okay. That can't be right. Oh, it is. Okay. All right.  
39 May 22nd. Next Thursday. Okay. Thank you. We have no motion there. We're going to  
40 go back to our worksession. Okay. We now have before us Capital Budget Wrap-Up  
41 and CIP Reconciliation. I turn to Dr. Orlin, wherever he went.

42  
43 Glenn Orlin,



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1 Thank you. Every year at this time, the Council looks at the Capital Improvements  
2 Program and tries to reconcile spending to anticipated revenues. This year was different  
3 in that in early April, you took a first crack at it which is important because it brought us  
4 pretty close to home but there is still more work to have been done. This packet makes  
5 several recommendations. If you approve them you will have a reconciled CIP for  
6 bonds, in other words, you will meet within the spending affordability guidelines and  
7 targets for the General Obligation Bonds under spending affordability. You will be  
8 meeting the current revenue estimates of revenue for FY09 and 10. You will also be  
9 reconciling with Park and Planning bonds which is another requirement. The overall  
10 result of this, I'll just talk about this and then I'll go through the packet as much as you  
11 want me to, not only does it reconcile the CIP to those bond guidelines and to the  
12 current revenue the first two years, it would release anywhere between \$15 million to  
13 \$21 million of Paygo to the Operating Budget, depending on how you decide that matter  
14 at the end of this packet. It would also add back CIP funding for four projects that you  
15 tentatively cut back in early April. The biggest one being the North County Maintenance  
16 Depot, the first phase of that, which is for 150, it is enough of a facility to provide for  
17 capacity of 150 buses in Clarksburg which would provide for additional ride on capacity  
18 for maintenance and for adding more buses to the fleet for County wide. It would also  
19 add back the full funding for the MCPS's Building Modifications and Program  
20 Improvements Project, also known as BMPI. And the first year of funding that was cut  
21 for MCPS's Tech Mod Project, Promethean boards and the Park and Planning's minor  
22 new construction on local parks project. I do want to acknowledge some folks who have  
23 been working closely with me on this over the last few weeks.

24  
25 Council President Knapp,  
26 The rec centers there too?

27  
28 Glenn Orlin,  
29 Pardon me?

30  
31 Council President Knapp,  
32 The modification of the recreation centers?

33  
34 Glenn Orlin,  
35 This is how much sir?

36  
37 Council President Knapp,  
38 220.

39  
40 Glenn Orlin,  
41 Okay. And a fifth thing, breaking news, is to add \$3 million to the recreation project  
42 which essentially is a programmed reserve for the four small recreation centers for  
43 which the Council has already recommended funding design. That would be added in  
44 fiscal year '13. I would like to acknowledge several folks, most of whom are in the



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audience, Jackie Carter from OMB, my counterpart there, Joe Lavorgna, Adrian Karamihas, and James Sohn from the school system, -- and Maria Henlie from DPWT, John McClain and Kristen Shram from Montgomery College, and Linda Price of our staff who's kept us straight with tracking over all these months. So here's the reconciliation. First of all, for Park and Planning Bonds, you're okay without having to do anything else, all you did was you added one project in Park and Planning Bonds over the course of this year which is the North Four Corners Park. There is ample capacity in the reserve to be able to accommodate that without making any other changes. You should consider yourself reconciled with the Park and Planning Bonds guidelines and targets. For current revenue, the, you had a discussion about this back in the winter, the County Executive, because of the fiscal situation, one of the moves that he made was to recommend reducing the amount of current revenue in the CIP over the next six years by over \$100 million, \$103 million, compared to the approved CIP from last May. The idea that we needed to cut back on cash spending, particularly, over the course of this period. The Council's reaction to that was that certainly agreed with the Executive for fiscal year 2009 and 2010 but didn't necessarily agree with the later years, that maybe that was too deep a cut to go forward with or to plan for, for fiscal years 2011-2014. So in fact, this reconciliation does match up with the Executive in '09 and '10 but it does actually program more dollars in '11 and '12 and significantly more dollars in '13 and '14. So that's a challenge that'll be meeting us, perhaps, if the economy does not get better when we get closer to those years. To be able to reconcile, particularly for '09 and '10 in current revenue, the following things are being done. We are applying \$2,635,000 in land sale proceeds on the Technology Modernization Montgomery County Government Project that is replacing current revenue. The Executive actually recommended programming that amount on some other projects, the Council deferred doing that until this reconciliation to see where best to put it and this is where it would go. To align \$30,000 of current revenue in the High School Wellness Center project associated with the Wheaton High School modernization, the modernization is being delayed two years so the Wellness Center would be delayed two years and that hadn't been, that schedule had not been adjusted yet, so it adjusts that. To fund with \$869,000 of impact tax funds raised in Clarksburg, two studies, which are in the facility planning transportation project already, one for Observation Drive and one for Roberts Tavern Drive, and these are already programmed. It's a matter of changing the funding source from current revenue to impact tax. There is Clarksburg impact tax funds which are not, some impact tax funds which are not yet allocated. In the Tech Mod Project for MCPS this is really just a funding switch. It doesn't change the total. It would replace current revenue with recordation tax funding to the tune of \$7,648,000 in FY09 and conversely, actually replacing recordation tax with current revenue in FY10 by \$1,713,000. And as part of this, also adding back \$698,000 in '09 which the Council had tentatively cut back on April 8th. So, essentially the Board's full request for '09 for this project is, would be funded. Finally, as a result of all this, \$1 million of current revenue could be released for use in the Operating Budget. For General Obligation Bonds and Paygo, top of page three, you recall back on April 8th, one of the thoughts was that we would try to accelerate about \$3.5 million worth of funding in the sidewalk and infrastructure



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1 revitalization project. There was that much of current revenue in the project. The  
2 thought was let's do that with FY08 bond reserves and get the work done a year sooner  
3 perhaps, or at least several months sooner and save some money for the Operating  
4 Budget that way. Well, as it turns out there is only a little under \$2 million left in the bond  
5 reserve for FY08. You just a few seconds ago when you approved the Consent  
6 Calendar approved most of that including \$1,965,000 in '08 for this project. So, we need  
7 to restore the other \$1,583,000 in '09 and we do it with bonds. We would delete the  
8 \$800,000 in the HVAC replacement MCPS project which the Council added over the  
9 Board's request back in April. It brings it back down to the Board's request as I  
10 mentioned, talking with, I know, MCPS staff, I think they're anxious to try to come  
11 forward with a larger effort with HVAC next year or the year after. Replace \$520,000 of  
12 GO Bond funding in the Rockville Town Center project with Rockville impact taxes.  
13 Again, this is a funding switch only. The project is still going forward. In fact, it's finished,  
14 this is just paying the bills and there are Rockville impact taxes which are not yet  
15 claimed to be able to cover this. There are also some bond funding in the High School  
16 Wellness Center project associated not just with Wheaton but also with Gaithersburg  
17 High School and they would be essentially aligned with the schedule of the  
18 modernizations. The next two projects sort of balance out each other. The Montrose  
19 Parkway West project, it's just strictly a funding switch, replace \$893,000 of impact  
20 taxes with bonds. And conversely, in the Silver Spring Transit Center project, replace  
21 the same amount of money of bonds with impact taxes. That's a way of trying to actually  
22 limit the amount of the necessary Paygo in FY09 which we'll talk about in a few minutes.  
23 The Planning Board, Planning Commission has recognized that there is actually a bid  
24 that came in for the Brookside Gardens project which is \$75,000 under what was  
25 estimated so that would be deleted from the '09 in that project. The current replacement  
26 modernizations project, again, there is no, there is strictly a funding switch being  
27 proposed here which is to replace the \$7,648,000 of recordation tax revenue with GO  
28 Bond funding in '09 and replace \$1,713,000 of GO Bond revenue with recordation tax.  
29 Then you recall back on April 8th, there were several projects which we identified as  
30 having only design funds in them, but also had construction management, but no  
31 construction. And so we thought we should be taking out the construction management  
32 funds because there would be nothing to manage without the construction, so we took  
33 some out, but in looking at these projects again since April 8th, we found a few more  
34 and they are on circles 16 through 22. The technical adjustments which we talked a little  
35 bit about yesterday. Again, these are projects which are in the CIP and in all cases, the,  
36 essentially the project managers have gone back and looked at each of these projects  
37 and looked at the cash flows and what really is going to happen with those projects now  
38 that were seven, eight months later from when they were first proposed. We find that  
39 there are a lot of money that could be shifted essentially from earlier to later in the CIP  
40 without changing the starting time of the project, starting year of the project, or the  
41 completion year of the project. They are reflected on many pages of this packet on  
42 circle 15 but also and 23 through 45. And then the add backs that I mentioned, add  
43 back \$75,000 in '09 for the minor new construction, non local parks project that was cut  
44 back on April 8th. Adding back \$6.5 million to the school system's building modifications



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1 and programs improvements project which is on its slightly adjusted schedule, it's still  
2 between FY09 and FY11, but it's a little heavier loaded towards FY11 than in '09  
3 although the appropriation does not change, the appropriation request for '09 and for  
4 '10 remain the same. And finally, as I mentioned, also adding back the almost \$54  
5 million to construct the first phase of the North County Maintenance Depot. The final  
6 piece of this has to do with the issue that was raised yesterday regarding Paygo. The  
7 Executive Branch correctly pointed out that there are projects that are in the CIP which  
8 really should be funded with Paygo rather than with General Obligation Bonds, Paygo,  
9 being cash that is used for debt eligible projects. The paragraph that you see in the  
10 middle of page four is out of the recommended CIP in the CIP fiscal policy section. It  
11 points out what these projects are. They are essentially public private projects where  
12 the asset at the end of the day is not clearly under the control of the County. A perfect  
13 example is the Wheaton Rescue Squad relocation where the County is building the  
14 relocation that's being built on volunteer's property. So it is not like we can automatically  
15 control everything that's going on with that asset because it's sitting on private property,  
16 or at least non County property. After the worksession, we got essentially  
17 correspondence from, or an e-mail from the Executive Branch pointing out a list of  
18 projects which fit in this category. Of those which are not already otherwise handled as  
19 far as the reconciliation, there is about \$14 million, there's \$14,263,000 of such projects,  
20 they're on circle 49, the second to last page of the packet. And you see the reasons on  
21 the right-hand side as to why they are considered to be public private. My review of this,  
22 and I've talked with others in staff, we don't have any disagreements at all about the first  
23 seven of them. There is a question about whether the Silver Spring Library falls in this  
24 category. You can make an argument either way. And that's what I did in the packet. I  
25 have an argument either way. You could argue that because the project, the Council  
26 has indicated at least a strong interest in the Library being a joint development,  
27 possibly, that options should be brought back. It is actually written on the PDF to  
28 develop these options. And if it is in fact a joint development with maybe even possibly  
29 one building sharing a library and a private development, then it clearly would fall into  
30 one of these, into this category and the detailed design of that, since that is part of the  
31 asset just like land acquisition and construction, should be paid for with Paygo. The  
32 alternative argument is that the Council has not made up its mind yet about this, that  
33 we're a long way to go and that, in fact, the PDF as it is currently structured showing the  
34 dollar amounts as they show which is on circle 50, has construction beginning in FY09  
35 and site improvements and utilities in '09 and other in '09, which is usually related to  
36 furnishing the library. And that's now, we know that it's not going to happen in '09.  
37 Design will happen in '09, but not the rest of it. So one way of clearing up this problem is  
38 to essentially, is to defer the spending that is shown in '09 in this project other than  
39 design from '09 into '10 or even later if you wish, but certainly at least out of '09. And if  
40 you do that, then this issue is no longer an issue and then you could default to the other  
41 number that is bolded on circle 49 which is \$8,609,000. So that is really the sort of, the  
42 decision that is sort of out there. This obviously just came up yesterday. It is important  
43 information. I think the Council needs to come to closure on that piece of it. Other than  
44 that.



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1  
2 Council President Knapp,  
3 Okay. There are a number of questions on that, on those points, so let's hold on.

4  
5 Glenn Orlin,  
6 Sure.

7  
8 Councilmember Ervin,  
9 Yeah. My question.

10  
11 Council President Knapp,  
12 Councilmember Ervin.

13  
14 Councilmember Ervin,  
15 On Silver Spring Library has to do with what happens to the funding now? How, in  
16 other, how will this affect the dollars that we now have in for design? Essie, I'm looking  
17 right at you because you helped write the PDF. If we could talk about this because it is  
18 in my District and it could be problematic for those folks in Silver Spring who have been  
19 waiting the longest for a new library. If you could sort of walk me through what exactly it  
20 is we are going to be approving.

21  
22 Essie McGuire,  
23 Well, I mean, as Mr. Orlin mentioned, there are two arguments along these lines.  
24 However, the Council's recommendation to date is to design in '09 and to receive a  
25 report on that design at several stages along the way. I don't think it has been anyone's  
26 assumption that construction would occur in '09 and that, I think, gets to Dr. Orlin's  
27 proposal that the dollars associated with construction and site improvements and  
28 potentially other could be shifted to FY10. It would still leave the capacity in the PDF  
29 that the Council had expressed interest in, but would not tie up dollars in '09 that  
30 probably will not be spent for that purpose.

31  
32 Councilmember Ervin,  
33 Okay. I just wanted to be very clear for people what we are actually doing here because  
34 we didn't, we weren't going to put a spade in the ground until '10 anyway, so I just  
35 wanted to be clear about that. Okay. Thanks.

36  
37 Council President Knapp,  
38 Okay. Councilmember Floreen.

39  
40 Councilmember Floreen,  
41 Thank you. Glenn, what is the private part of the Silver Spring Civic Building?

42  
43 Glenn Orlin,



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1 I may have to defer to someone else on that. I'm not familiar with that project. I will say  
2 that Paygo has been used in the past for that project.

3  
4 Councilmember Floreen,  
5 Ms. Barrett.

6  
7 Glenn Orlin,  
8 There is precedent for it, I know that.

9  
10 Jennifer Barrett,  
11 If I could clarify. It is private use. My understanding was that the Silver Spring Civic  
12 Building, and somebody could update me, but my understanding is that there is some  
13 possibility of having arrangements with private parties to actually run the facility, rent  
14 rooms in it, actually be the organization that.

15  
16 Councilmember Floreen,  
17 But that is for public use. I mean, the point of having that Board and I'm not that thrilled  
18 with it personally, but in any event, the point of having it is to include, have a lot of  
19 public, different public use. It is not a private partner.

20  
21 Jennifer Barrett,  
22 It is under the IRS Regulations. It's considered private use by Bond Council because  
23 there's a private party that has rights to the facility.

24  
25 Councilmember Floreen,  
26 Rights?

27  
28 Councilmember Leventhal,  
29 Mr. President.

30  
31 Councilmember Floreen,  
32 I don't believe that is the case.

33  
34 Council President Knapp,  
35 Hold on.

36  
37 Jennifer Barrett,  
38 It goes through them before it goes out to the public. This is just the understanding I  
39 have.

40  
41 Councilmember Floreen,  
42 I am very, I believe that that is incorrect and we certainly need to have that conversation  
43 here. The Silver Spring Civic Center, Building is a civic building to be made available to  
44 every group in Silver Spring. The point of having another Committee input is to make





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1 sure that every group in Silver Spring has access to it as I recall the conversation, not to  
2 restrict access. Which would be the point of having.

3  
4 Jennifer Barrett,  
5 It is not a matter of restriction.

6  
7 Councilmember Floreen,  
8 Reading it as a private management program.

9  
10 Jennifer Barrett,  
11 It is not a matter of restricted or availability, it is a matter of you have a relationship with  
12 a private party it's considered private use.

13  
14 Councilmember Leventhal,  
15 What private party?

16  
17 Councilmember Floreen,  
18 There is no private party that I'm aware of.

19  
20 Jennifer Barrett,  
21 When this originally happened, that was my understanding was that there was going to  
22 be this private, non.

23  
24 Councilmember Floreen,  
25 Well, okay.

26  
27 Jennifer Barrett,  
28 Understand, non-profits are considered private also, that there might be, remember, as I  
29 mentioned yesterday, part of the idea of applying Paygo to projects like this is to retain  
30 our flexibility but there was talk at some point during this project's development, when I  
31 was involved in it, that there might be a relationship with a non-profit to actually manage  
32 the facility, take the requests in, determine who would be there. That was my  
33 understanding to try to retain.

34  
35 Councilmember Floreen,  
36 But I don't think it's any kind of fiscal relationship. We would, of course, do all the work.

37  
38 Jennifer Barrett,  
39 If there's a.

40  
41 Councilmember Floreen,  
42 Are you saying that doesn't matter?

43  
44 Jennifer Barrett,



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1 I'm trying to say, if there is a relationship with a specific, even non-profit private party, it  
2 is considered private use under the IRS Regulations.

3  
4 Councilmember Floreen,  
5 How much Paygo money is associated with this, Glenn?

6  
7 Glenn Orlin,  
8 With the Civic Center?

9  
10 Councilmember Floreen,  
11 Yeah.

12  
13 Glenn Orlin,  
14 In '09, \$3,203,000.

15  
16 Councilmember Floreen,  
17 Well, this really is not the right environment in which to have a lengthy conversation  
18 about this but it certainly is, and I defer to the Councilmember from this District on this  
19 subject but my understanding of this was that it was simply a device to, and it hasn't  
20 been concluded to my knowledge, a device to include greater segments of the  
21 community, but not to manage the facility.

22  
23 Jennifer Barrett,  
24 We have been applying Paygo to the project to retain the flexibility for the Council, for  
25 the government to do what they wanted to do. Once you've applied the cash instead of  
26 tax exempt bonds, then you are free to do what you need to do.

27  
28 Councilmember Floreen,  
29 But we, and we have already done that?

30  
31 Jennifer Barrett,  
32 We've been applying Paygo to this project for quite some time, yes.

33  
34 Councilmember Floreen,  
35 So we've done it? So it's only a question of how much.

36  
37 Glenn Orlin,  
38 Well, in the past we have done it, that's.

39  
40 Councilmember Floreen,  
41 Right. So, that preserves our ownership interest?

42  
43 Jennifer Barrett,  
44 Flexibility in terms of.



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Councilmember Floreen,  
Our legal flexibility.

Jennifer Barrett,  
And this is about keeping the bonds tax exempt.

Councilmember Floreen,  
Does that require that all, that no bonds can be used, are used for this or is it the nature of the mix between?

Jennifer Barrett,  
It could be looked at in a mix. We simply applied Paygo to everything to retain all our flexibility.

Councilmember Floreen,  
But if you, okay, if you apply less than, okay, say you have a goal of applying \$100 in terms of Paygo to this project and you actually end up applying \$50, does that make it less, does that give you less governmental flexibility?

Jennifer Barrett,  
Probably less in terms of renting out the whole facility but there may be some allocation that could be done. I'd have to have an analysis done by Bond Council based on the current, the actual proposal in place.

Councilmember Floreen,  
Well, I would just flag this one as one for further conversations since we don't have a lot of time.

Council President Knapp,  
No.

Councilmember Floreen,  
I know that this is not the best time but I am mystified by that one.

Council President Knapp,  
It has certainly engendered a lot of questions on the part of Councilmembers. I think it's going to be important, especially on this specific one, and we'll get, see how the questions come back out, is to get more detail on that notion of a public private partnership that's out there. I understand that you may not have all the details.

Jennifer Barrett,  
Just remember, having been prepared to have to defend individual projects because we thought we.



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1  
2 Councilmember Floreen,  
3 Yeah, I appreciate that.  
4  
5 Jennifer Barrett,  
6 Of money and could just.  
7  
8 Councilmember Floreen,  
9 The.  
10  
11 Council President Knapp,  
12 Let me just say though.  
13  
14 Jennifer Barrett,  
15 Choose these instead of others.  
16  
17 Council President Knapp,  
18 If you are going to send a list over with projects that you think are going to be used we  
19 ought to have some.  
20  
21 Jennifer Barrett,  
22 Yesterday afternoon, it happened very quickly.  
23  
24 Council President Knapp,  
25 Understood.  
26  
27 Jennifer Barrett,  
28 You know where I was, I was over here.  
29  
30 Council President Knapp,  
31 Understood.  
32  
33 Councilmember Floreen,  
34 You were busy. And I guess my view is with respect to the Silver Spring Library, until we  
35 resolve that issue, it seems to me that it is not a public private partnership until we  
36 agree that it is and I don't think we are there yet.  
37  
38 Council President Knapp,  
39 Okay.  
40  
41 Councilmember Floreen,  
42 Right.  
43  
44 Council President Knapp,



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1 Okay. Turn to Councilmember Ervin and then Councilmember Leventhal.

2  
3 Councilmember Ervin,

4 Thank you very much. I just want to try to clear this up with Ms. Barrett. My  
5 understanding of the non-profit entity in Silver Spring, who have been trying desperately  
6 to get through the PHED Committee, my understanding is this has come through PHED  
7 Committee on more than one occasion, and I know that Ms. Praisner was very much  
8 opposed to this third party non-profit entity managing the community use of that space.  
9 So this has not been resolved. I don't know if the organization has come back to the  
10 Council to get any approval through Committee. But this is where that is so I'm very  
11 confused about what you think this is and what we think it is.

12  
13 Jennifer Barrett,

14 Again, I was not prepared and Ms. Carter from OMB did the right thing, these are the  
15 things on our list because, you remember, we were not in the mode of having to defend  
16 the application of cash to substitute cash for bonds. We were just in the mode of, if I  
17 have to put it somewhere, where would I prefer to put it if anything had any inkling of  
18 some possible private use, that is where we chose to put it. So I was not prepared for  
19 this kind of a debate over defending doing it. It's just a practice we have that retains  
20 flexibility for the Council. That's why we have the policy and apply it the way we do.

21  
22 Council President Knapp,

23 Okay. Councilmember Leventhal. Councilmember Berliner.

24  
25 Councilmember Berliner,

26 Moving on to other subjects.

27  
28 Council President Knapp,

29 Well, let, before we do that, I just need to, we need to actually take an action on which  
30 Paygo number the Council chooses to use or to avail themselves of. And so I guess the  
31 question before us is, do we include the Silver Spring Library and the Paygo number,  
32 which would then give us.

33  
34 Councilmember Leventhal,

35 The Library or the Civic Center?

36  
37 Glenn Orlin,

38 The Library.

39  
40 Council President Knapp,

41 The Library is the question before us. I mean, well, we can certainly, it's a  
42 recommendation that Dr. Orlin has presented to us. We can certainly raise the question  
43 as it relates to the Civic Center too. I mean, that is in our discretion.



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1 Councilmember Leventhal,  
2 Well, okay, then I would, I mean, from based on my understanding of the projects, it  
3 does sound to me as though the Silver Spring Civic Center will be a purely public  
4 purpose for which tax exempt bonds would be legal. As for the Silver Spring Library, I  
5 have to say, it does sound to me as though the precise shape is uncertain and the  
6 possibility of a public private partnership for that structure remains possible. That is my  
7 understanding of where the two projects are.

8  
9 Council President Knapp,  
10 It does but we don't necessarily need those, we don't need those Paygo resources for  
11 FY09.

12  
13 Councilmember Leventhal,  
14 Right.

15  
16 Council President Knapp,  
17 We wouldn't need them until FY10.

18  
19 Glenn Orlin,  
20 Well, if, part in parcel of what you are suggesting, Mr. Knapp, is that we would  
21 physically move the money, the expenditure monies in the PDF for construction site  
22 improvements, this is the Library one now, from '09 to '10.

23  
24 Council President Knapp,  
25 Correct. Councilmember Ervin.

26  
27 Councilmember Ervin,  
28 I did just get verification from Council staff that Silver Spring Civic Building conversation  
29 did take place in PHED and that the PHED Committee voted against the third party non-  
30 profit entity from having any sort of relationship. So I think George is right on that point. I  
31 just wanted to make that clear.

32  
33 Council President Knapp,  
34 Okay. So before, I would make a recommendation that we move Paygo money out of  
35 the, defer the Silver Spring Library thereby availing ourselves of what is it, \$14,263,000  
36 of Paygo for our utilization in.

37  
38 Glenn Orlin,  
39 Actually, it would be \$8,609,000.

40  
41 Council President Knapp,  
42 \$8,609,000 for Paygo in these projects for this, for FY09.

43  
44 Councilmember Leventhal,



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1 This is purely recognition of the reality that a shovel is not going in the ground in FY09.

2  
3 Council President Knapp,  
4 Correct.

5  
6 Councilmember Leventhal,  
7 That's the fact anyway.

8  
9 Council President Knapp,  
10 Right.

11  
12 Councilmember Leventhal,  
13 I will second the Council President's motion.

14  
15 Council President Knapp,  
16 Councilmember Floreen.

17  
18 Councilmember Floreen,  
19 Well, I would offer an amendment to include the Civic Building.

20  
21 Councilmember Leventhal,  
22 I'll second that, too.

23  
24 Council President Knapp,  
25 Okay. So what would that change our number to, Dr. Orlin?

26  
27 Glenn Orlin,  
28 Well, fast math, I think it's \$5,406,000.

29  
30 Council President Knapp,  
31 The Council will be putting \$5,406,000 directly into Paygo for these projects thereby  
32 leaving the remainder, depending upon how we avail ourselves of the rest of it.

33  
34 Jennifer Barrett,  
35 If I can just make a statement. Of course, as you know from our conversation yesterday,  
36 the Executive absolutely recommends staying with the Council's policy level of \$30  
37 million. I just want to point out that if you are lowering Paygo, you are going to limit  
38 flexibility. The other reason we have it is things that come up during the year, perhaps  
39 cost increases, maybe even on some of the projects on this list. I just want to be on  
40 record that there is flexibility that we may run into later that you are taking away with the  
41 reduction in Paygo.

42  
43 Council President Knapp,



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1 Duly noted. Okay. So we have before us a motion that has been seconded to not use  
2 Paygo resources for Silver Spring Civic Building and Silver Spring Library, thereby  
3 committing \$5,406,000 to the remaining projects on the list as recommended by our  
4 staff, Deputy Director Dr. Orlin. All in favor of the motion indicate by raising your hand.  
5 That is unanimous. Thank you very much. Okay. What is left on the CIP Dr. Orlin?

6  
7 Glenn Orlin,  
8 I'm done unless there is questions.

9  
10 Council President Knapp,  
11 Okay. Are there further questions on the CIP? Councilmember Floreen. I'm sorry.

12  
13 Councilmember Floreen,  
14 Well, I just wanted to thank Mr. Orlin for all his efforts.

15  
16 Council President Knapp,  
17 Very good. Councilmember Berliner.

18  
19 Councilmember Berliner,  
20 I'm in a little bit of shock here that that was the extent of my colleague's comments, but I  
21 will get over it. I wanted to also thank Dr. Orlin but I want to acknowledge the people,  
22 many of the people that are in the audience now from AIM who have been so important  
23 in ensuring that we do not lose sight of our obligation to the underserved communities  
24 that are home for four community centers and that they, we have said to them  
25 repeatedly, this deal is not done until we make final action on the reconciliation list. And  
26 lo and behold, here they are to ensure that that final action comes about in an  
27 appropriate way. I thank the Council President and my colleagues for their commitment  
28 to this, all of us have been committed to this. And today, the action that we took was  
29 designed to put \$3 million more into a special reserve that is only for these four  
30 community centers so that they are not competing with other projects as we go forward.  
31 So I thank the Council President for ensuring that we have, in addition to the design  
32 money, \$20 million set aside solely for construction for these projects when they go  
33 forward. We hope they will go forward soon and that is our commitment. We thank you,  
34 people of AIM, for being our conscience with respect to this.

35  
36 Council President Knapp,  
37 Okay. Thank you very much. [ applause ]. I would just briefly, we made many remarks  
38 on the CIP when we took our straw vote on this a month or so ago, I just want to note  
39 that I also extend my thanks and appreciation to Dr. Orlin and those on the Executive  
40 Branch staff who have helped to pull this together, that we were able to do many things.  
41 We have a larger reserve than we would typically have set aside for projects which gets  
42 to one of the issues that many Councilmembers have raised which is we want to have  
43 the ability to move forward with projects as they come available and I think we have  
44 given ourselves that flexibility and the ability to achieve that goal. The one thing I would





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1 say that we were still, even with the shifting of things that was done to try to make more  
2 accommodation for additional projects like we did with the North County Maintenance  
3 Depot, which I think is a significant project which will allow us to add to our transit  
4 capacity, we were not, at the end of the day, able to keep all of our high school  
5 modernizations on track. They will have all shifted by one year. That is, I know that  
6 having, having many of my residents go to two of those high schools, I know the Council  
7 Vice-President has that issue, as does Councilmember Ervin, the Chair of the Education  
8 Committee, we are, that is not the outcome we would have liked. I would just like to note  
9 however that we have \$138 million that is the state's responsibility for our high school  
10 construction resources for this year. At this point, we have \$46 million. We have been  
11 allocated \$46 million of that \$138 million that is the state's responsibility. If we had the  
12 remainder of the resources that should be provided by the state for Montgomery County  
13 School construction requirements, we would be able to have moved those five high  
14 schools and have construction begin in a timely fashion. I just think it is important for us  
15 to, for people to recognize that is the biggest reason we could not accomplish that goal.  
16 And so it is unfortunate and we are chagrined on this side of the dais. But I would urge  
17 those who are frustrated by this outcome to make sure that we direct our attention to the  
18 place where those resources should be addressed which is our state government and  
19 make sure that we get those dollars for next year. I don't see any other comments on  
20 the reconciliation of the FY09-14 Capital Improvements Program. So with that, seeing  
21 no further discussion, I would ask for a motion.

22  
23 Councilmember Berliner,  
24 So moved.

25  
26 Councilmember Floreen,  
27 Move approval.

28  
29 Council President Knapp,  
30 Moved by Councilmember Berliner. Seconded by Councilmember Floreen. All in  
31 support of the reconciled FY09-14 Capital Improvements Program indicate by raising  
32 your hand. That is unanimous. Thank you very much. [ applause ]. I would now turn to  
33 the Council Reconciliation Items for the FY09 Capital and Operating Budgets. I believe  
34 that we have staff that is handing out sheets that contain what the reconciliation list  
35 includes. I would just make a couple of brief remarks on this and turn to any of my  
36 colleagues who may have things to say. Our reconciliation list as was addressed by the  
37 Council after we concluded our actions on Tuesday stood at roughly \$40.5 million.  
38 Given the resources that we had available to us, given the priorities of the Council, and  
39 given the approach that the Council took to taking a very judicious and fiscally prudent  
40 approach to funding this budget, we have managed to restore funding for roughly  
41 \$25,729,000 of that \$40 million list. Included in there are, I think, recognition of the key  
42 priorities that this Council identified and I'll talk about a little bit more in a second, but  
43 you will see restoration of 12 community outreach officers for Police, keeping our recruit  
44 classes on schedule, funding for, provide all day services at the men's homeless



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1 shelter, a number of grants, making sure that we continue to have response time  
2 adequately addressed in the Fire and Rescue Service by restoring staffing for Glen  
3 Echo Ambulance, Laytonville Ambulance, and Hillendale ladder truck, making a  
4 significant investment in the future of our community by providing \$7.5 million for  
5 Montgomery College to make sure that those resources are there for our future work  
6 force. There are many things here that address our core services and requirements in  
7 Montgomery County and we are pleased to be able to do that. There are many things  
8 that are not on this list and when you have a difficult fiscal year, there are choices that  
9 have to be made and so I just wanted to recognize that and see if any Council  
10 colleagues have any comments on the reconciliation list at this time. Councilmember  
11 Leventhal.

12  
13 Councilmember Leventhal,

14 Yeah, I just want to remind my colleagues with respect to the Fire and Rescue  
15 Commissioner's stipends, there is a lack of clarity as to how this needs to be addressed.  
16 I understand that we made the decision that we would not delete the stipends without  
17 giving the Commissioners themselves or anyone else who might be interested, I'd be  
18 surprised if anyone else were interested, an opportunity to give us feedback. I do hope  
19 that will occur very promptly since my understanding is now we have a lot of hard  
20 working Commissioners, Commission on Aging, Commission on Health, and many  
21 others who receive no stipends. The duties of this Commission have changed  
22 significantly. It is \$94,760, it's a reasonably significant dollar amount. We are going to  
23 be having a fair amount of conversation about the burden on the taxpayer. It seems to  
24 me this is an item that we ought to deal with very promptly. I had an exchange with  
25 Justina Ferber on this matter because we were, we got a memo asking whether the  
26 term of a Commissioner ought to be extended and Justina and I said, are we going to  
27 extend this guy's term, and then he's going to expect a certain stipend, and does this  
28 prejudice what we're going to do on stipends. Our staff's answer was, well, you can take  
29 care of stipends right now in budget, the law gives you the authority to do that so we  
30 could actually do that. But I understand that there is a desire to have the  
31 Commissioners come in and let us know that, please, they would really rather keep their  
32 stipends. It is not hard to predict what their views will be and I respect their service and  
33 their friends, several of them are good friends of mine. I would ask how long will it take  
34 for us to address this matter? I would expect that this \$94,760 actually will not be spent  
35 in FY09.

36  
37 Council President Knapp,

38 Well, I would turn to the Chair of the Public Safety Committee, Vice-President.

39  
40 Councilmember Andrews,

41 Sure. Thank you. Well, Councilmember Leventhal, it is a good question. I anticipate  
42 dealing with this in the next few weeks after we come back from the budget.

43  
44 Councilmember Leventhal,



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1 Okay. I thank the Chair.

2  
3 Councilmember Andrews,  
4 I agree it needs to be dealt with promptly.

5  
6 Councilmember Leventhal,  
7 I thank the Chairman. Now.

8  
9 Council President Knapp,  
10 Oh, sorry.

11  
12 Councilmember Leventhal,  
13 May I, is, are we at the point where we congratulate the Council President and talk  
14 about a bright future and a great County and all that stuff?

15  
16 Council President Knapp,  
17 Not yet. We'll get to that.

18  
19 Councilmember Leventhal,  
20 You'll let us know when we're going to do that? Okay.

21  
22 Council President Knapp,  
23 We are still at nuts and bolts. Councilmember Berliner.

24  
25 Councilmember Berliner,  
26 Thank you Council President. I wanted to make one observation and one request for  
27 clarification. The observation is that my colleagues and I certainly have been getting a  
28 fair amount of e-mails with respect to many of the recreational centers and community  
29 centers that are part of the Parks system and that there was grave concern that those  
30 were going to be on the transfer and demolish list, I believe, was the expression. And I  
31 want to point out to my colleagues that we have been advised that with the dollars that  
32 we are putting on the reconciliation list which on page five, is on line 191, refers to  
33 activity buildings. I'm told that those activity buildings include the buildings, it includes  
34 that Garrett Park Nursery, yeah, we've heard a few from them, and it includes the  
35 Randolph Hills, it includes Norwood, it includes a lot of community centers that are  
36 important to communities. And so I want to thank my colleagues for having this item on  
37 the reconciliation list. I think it will make our folks feel a lot better. The clarification  
38 request goes to the College which I know is near and dear to the Education Committee,  
39 and it relates to what I understood to be a savings they had achieved this year of  
40 something in the order of \$1.2, \$1.3 million that is not reflected on this reconciliation list  
41 as I understand it but that is intended by the Council to be available to them.

42  
43 Council President Knapp,  
44 It is, as I understand it.



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Councilmember Berliner,

So that was my understanding and my hope is that that is our intention and that we are giving blessing to that.

Stephen Farber,

Yes. Mr. Sherer is exploring that issue as we speak with Donna Diamond, the Budget Director at the College. I don't believe we've yet heard back but we're trying to work that issue out.

Councilmember Berliner,

Okay. Thank you.

Council President Knapp,

Very good. Further comments on the reconciliation list or questions? All right. Seeing none, I would accept a motion to approve the reconciliation list.

Councilmember Trachtenberg,

So moved.

Council President Knapp,

Moved by Councilmember Trachtenberg, seconded by Councilmember Floreen, or Councilmember Ervin. All in support of the reconciliation list as presented, please indicate by raising your hand. That is unanimous. Very good. Councilmember Floreen.

Councilmember Floreen,

For the record, I would like to be listed as recusing myself on part of the rec, item 105 in the reconciliation list because I am on the Board of Habitat for Humanity.

Council President Knapp,

Without objection. Okay. We now turn to our final action. I just wanted to take a moment to thank everyone in the room, thank many people who are not in the room, who have helped us get to this point in our process. The budget is not an individual's activity. It is clearly a group activity that takes the efforts of many, many people to reach a final conclusion, which we may or may not be at today. I want to thank everyone here though. There weren't any great surprises going into this budget this year. Like all jurisdictions, we are, were and are still facing a flagging economy, flatter, declining revenues. As I alluded to earlier, our state legislature went into special session in November. Taxes were increased statewide and Montgomery County became the piggy bank for much of the rest of the state. As Annapolis worked to dig its way out of the structural deficit that it had made, it generally used us to help balance that budget. More and more of our money flows to Annapolis and less of it comes back here. We are the only jurisdiction, for example, that has, is required, it pays 80% of its education costs at the local school level and we got, by sure benefit, get to also pay a big percentage of



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1 everybody else's. It has been made quite clear to us then that if we want to do anything,  
2 we have to do it here on our own. The difficulty, as many of you all have recognized this  
3 year, that with nominal growth in income tax, gaps in revenue from transfer and  
4 recordation taxes, we have had limited wells from which we can draw water. In short,  
5 we had to try to work with a toolbox that already had most of the tools removed. That  
6 was our challenge from the start and now here we are with our goals in this budget.  
7 First, we wanted to ensure we maintained our core services like public health and  
8 safety, education, and programs for our most vulnerable populations. You just heard a  
9 couple of those that we just discussed. In difficult fiscal times, you also to have to make  
10 difficult choices. That means that not every single government program or service can  
11 be increased or even maintained at current levels. By working with residents and  
12 service providers to determine what mattered most, we were able to ensure that we  
13 continue to maintain our investment in those core services. Second, we wanted to keep  
14 our resources in reserve so we could keep a safety net to turn to in the event that the  
15 economy continues to decline and I know this is something that the Council Vice-  
16 President and Council President next year was looking at very closely to make sure that  
17 we have those resources available to us. Third, we want to continue to, our obligation to  
18 employees as it relates to our future retirement. We wanted to make sure that we did  
19 that. We also want to make sure we commit to mitigating the effects of any increase in  
20 property tax, if we could do that. Five, we want to do all of this in a fiscally responsible  
21 manner. I am proud to say that we've done those things. How? We worked hard, we  
22 talked, we listened, we listened to residents as they told us the services that mattered,  
23 we listened to our government agencies that explained their priorities and how they  
24 would work to provide services better and more effectively. We took a fiscally  
25 responsible approach and looked at everything trying to find places where we could  
26 spend smarter, work better, and invest in what matters most. We maintained core  
27 services. There were places where we differed with the County Executive on priority  
28 and there were some holes to fill. It was unacceptable for us, for example, to have  
29 service reductions that would mean longer fire and rescue response times and we took  
30 the appropriate actions I had addressed earlier. Or for fewer community police officers.  
31 We maintained those services and we will not have fewer police officers next year.  
32 Ultimately, we will not have fewer firefighters. And I think that's important for us to  
33 remember. We are not going to lose ground. We may not gain as much ground as we  
34 have in the past, but, nor are we going to back slide. We also worked hard at taking  
35 care of our most vulnerable population, something we need to continue to recognize in  
36 difficult fiscal times. We kept our sources in reserve. We have \$238 million, over 6%.  
37 We kept our agreement with our employees to maintain funding for their pensions. We  
38 were careful in our modifications to the property tax. Under the Chair of the MFP  
39 Committee's leadership, we modified the Executive's initial proposal to provide  
40 taxpayers with a two cent rate reduction on the existing rate. And I want to be clear  
41 here, the reduction doesn't mean homeowners will pay less next year. That's an  
42 assessment issue. It's what we, it is a collection issue. But our County remains one of  
43 the best and most desirable places to live, not just in Maryland, but in the country and  
44 as housing assessments continue to rise, which is a double-edged sword, those rising



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1 assessments can and will translate into higher tax bills even with a lower tax rate. On  
2 the plus side, in the aggregate over the past five years, property tax increases have  
3 stayed at roughly the rate of inflation. We have taken big efforts here as we look at real  
4 numbers under this budget. A median household will pay \$465 more than last year. I  
5 mean, we should be honest with people. People with houses at the median average  
6 home values paid less in 2008 than they did in 2007 but that was an anomaly that I  
7 don't believe we, as the Council has acted so far, we can continue to carry forward this  
8 year. As a part of the mitigation effort though we have also tried, we have also provided  
9 energy tax rebate for low income residents to ensure they can continue to heat their  
10 homes and keep their lights on even as the cost of heating, fuel and electricity continues  
11 to rise. Finally, we have kept growth in the budget consistent with the rate of inflation.  
12 That's an increase of about 3.6% consistent with what other jurisdictions in this region  
13 and nationally are trying to do. There's been a lot of discussion about a topic that I  
14 wanted to address just briefly because I think it's important before I wrapped up. I want  
15 to talk about the overarching policy issues, how do we pay our employees? In this  
16 County, we have three negotiated agreements with employees, school employees, have  
17 three negotiated agreements with the School Board. These are all agreements that  
18 have been negotiated previously by the County Executive and the School Board and  
19 ratified by the Council. The Council overwhelmingly supported and approved these  
20 contracts and at the time these contracts were negotiated and approved we knew  
21 exactly what the economic outlook was. That was part of our discussion. That is part of  
22 the discussion in the negotiation process. Our employees are not an appendage  
23 attached to County government. You are County government. While it might be easy to  
24 target government workers for reduction on the argument they're overpaid,  
25 underworked, I think it's important to recognize that, and people say that the money  
26 should be invested in services. Let me make one thing clear. People are programs. We  
27 don't have services without County employees. [ applause ]. Government is a service  
28 based industry. If we add services or programs or projects, we've likely added some  
29 employees to make sure that we can deliver those. The budget now before us reflects  
30 our discussions with our residents and government agencies and reflects our own votes  
31 and priorities. It reflects what the Council's actions have been to date. It is not a perfect  
32 document. No budget ever is. There are parts of it I like very much, there are other  
33 places I wish we could have done many things differently. I do not believe that there is  
34 anyone in this room that has gotten everything they wanted in this budget, but it is a  
35 budget built on principles and priorities, our principles and priorities, and those are the  
36 people that we represent. And so with that, I present my colleagues with the budget that  
37 we have taken up to this point and urge their consideration and adoption.

38 Councilmember Leventhal.

39  
40 Councilmember Leventhal,

41 Good job, Mr. President. This is a year where we are not able to embark on a whole lot  
42 of new programs. We have a County that is really on the cutting edge of trying to  
43 address a lot of problems from carbon reduction to reducing the achievement gap in  
44 schools to providing health care to the needy. We are one of the top Counties in the



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1 United States and we've tried to be an example and a model for how to provide  
2 government services. Banning trans fats, trying to improve people's awareness of how  
3 to improve their own health. We have done a number of things over the last few years  
4 that have added to the size of the budget. You can't do these things without providing  
5 the resources to do them. Then we hit an economic downturn and we begin to hear  
6 from taxpayers who are feeling pinched and who are feeling concerned. And it is not  
7 easy to get a real sense of the mood of the people we represent because the people we  
8 represent don't speak with one voice. You have to look in the large picture of what is it  
9 that made all these people move here in the first place. Of course we get complaints  
10 about how many people live here. You know, we get threats from taxpayers that say  
11 well, if you do this to me, I'll leave and then you have other taxpayers who say I'm tired  
12 of the traffic and my grocery store is too crowded anyway and so, you know, how do  
13 you balance the fact that this place is so popular because it is so desirable with the  
14 sense that people have that there are too many people living here? Well, the reason so  
15 many people live here is because it is such a desirable place to live. That is a fact. We  
16 are not a community that is losing population. We are not a community that people are  
17 fleeing. We are a community that people want to live. Why? Number one, let's face it,  
18 it's the schools. We know it because we talk to our neighbors who live in D.C. We talk to  
19 our, which is trying mightily to improve its schools and I wish it well. We talk to our  
20 neighbors who are looking at, I mean, I am attending the University of Maryland now in  
21 a graduate program and you talk to people, faculty there who are assessing where they  
22 want to buy a house. They want to buy a house in Montgomery County because they  
23 want to send their kids to Montgomery County schools. Number two, people feel safe.  
24 These are the things you hear when people choose where do you live. What is the  
25 quality of public education? What is the quality of public safety? Those are the two top  
26 issues, location, location, location. We have had a lot of conversations at COG which  
27 our President serves as the Chair of the Board, about how do you address what the  
28 Brookings Institution in COG talked about a region divided. How are we going to make  
29 better investment in the infrastructure that we have? Why is it that White Flint Metro is so  
30 desirable and Minnesota Avenue is not, or – is not? Okay. We want to assist, if we can,  
31 if there were any way to. I hope Michelle Ree in D.C. is successful in improving the  
32 perception of quality in D.C. Schools. I hope that Prince George's County continues its  
33 upward trajectory so that we can address the region divided so that we can have more  
34 population density and transit oriented development as I know a number of my  
35 colleagues have talked about at some of these other Metro areas. But why doesn't it  
36 happen? It is because of perceptions about public schools and about public safety and  
37 some racial perceptions and some investment red lining. Those are the issues. So how  
38 did we get here in Montgomery County to have these schools that people believe are  
39 really good? How did we get here in Montgomery County to have these neighborhoods  
40 that people believe are really safe? Well, we got here because we invested in good  
41 government. This budget continues that investment. And it is not free. There isn't any  
42 free lunch. I'm a taxpayer. My property taxes are going to go up. I'm going to feel the  
43 pain and I regret the pain that we're going to impose on the people we represent.  
44 People are going to have to pay more to maintain the same level of service. It is my



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1 belief that if we significantly scale back the level of service, the view among the public, if  
2 they went to their libraries and found they were closed on additional days, if they called  
3 EMS service and found that they had slower response times, if they found that class  
4 sizes were going to increase, if they found that parks were not open on the days they  
5 wanted them or park activity buildings were closed, that the public reaction to scaling  
6 back services would be greater and more negative than the public reaction that we are  
7 hearing and, and I'm hearing it too, over the prospect of a \$10 a year increase in energy  
8 tax or some hundreds of dollars a year increase in property tax. I don't minimize the  
9 burden that we are imposing on taxpayers. It is real. I'm very cognizant that taxpayers  
10 are paying more for gasoline and are paying more for their WSSC bill and paying more  
11 when they encounter the costs that they're dealing with day-to-day. That's real. We are  
12 taxpayers, too. We are feeling it, too. But at the same time, I do believe that we have  
13 among the public, an expectation of a high level of public service and that is what this  
14 budget continues. I want to really call out for special thanks to the Chair of the MFP  
15 Committee, Councilmember Trachtenberg. Marilyn Praisner is very much on my mind  
16 right now. Sorry. I did not mean to do that. Marilyn Praisner is very much on my mind  
17 right now. We all, I did, all of us, delegated to Marilyn an awful lot because we knew she  
18 knew so much about cable TV, she knew so much about Park and Planning, she knew  
19 so much about so many of the things that we all now feel we have to master. She was  
20 Chair of the Management and Fiscal Policy Committee since there was a Chair, since  
21 there was a Management and Fiscal Policy Committee. And so this year, the task fell to  
22 one of our new members to begin the mastery of those topics. That's not an easy task  
23 and Duchy's done a heck of a good job. And these are complex technical issues. No  
24 one really could ever fill Marilyn's shoes, not Duchy, not her husband, not anybody,  
25 because Marilyn was such an extraordinary public servant and we miss her now. But I  
26 do want to really commend Duchy for managing that Committee, for dealing with these  
27 tax and compensation issues. On Tuesday, the Chair of the MFP Committee and the  
28 Council President and the County Executive are going to go up to New York City and  
29 they're going to talk to Moody's and Fitch and Standard and Poor's about what a great  
30 County we have and how bright our future is, how strong the fundamentals of this  
31 economy are, what a worthy long term investment it is to invest in Montgomery County  
32 public facilities. Because people who do buy our tax exempt bonds ought to know that  
33 they are backed by the full faith and credit of one of the best Counties in the United  
34 States of America. And so I know that when the County Executive and the Council  
35 President and the MFP Chair go up to New York, having passed a budget that  
36 continues our faith with the people of Montgomery County and continues our tradition of  
37 good government and good management, that we will continue to maintain the very  
38 best bond rating available. You cannot do any better than AAA. And so when we get  
39 those e-mails, when we get those complaints, when we see the letters to the editor,  
40 saying something is wrong in Montgomery County, it's not sustainable, it's not well  
41 managed, we don't like it. AAA, you cannot do any better than AAA. It's as good as it  
42 gets. And we're going to pass this budget and we're going to get that bond rating we're  
43 going to continue to provide the level of service the taxpayers expect and we really owe  
44 a great debt of gratitude to you, Mr. President for getting us to this point. Again, I want





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1 to thank the Chair of the MFP Committee, I want to thank the Council Vice-President  
2 and all my colleagues who've exerted the leadership that's necessary to keep faith with  
3 the voters and the taxpayers in Montgomery County.

4  
5 Council President Knapp,

6 Thank you, Mr. Leventhal. Ms. Barrett, you, Ms. Barrett just gave us our tickets to go to  
7 the bond rating trip. I think we should actually take Mr. Leventhal with us and he can just  
8 come along and be the cheerleader on the side. Councilmember Ervin.

9  
10 Councilmember Ervin,

11 Thank you Council President. I want to start my remarks which I will read into the record  
12 by thanking Council President Knapp for his extraordinary leadership through these very  
13 difficult days and weeks. And I want to read these comments into the record. I have  
14 been privileged to work with my friends and colleagues on this County Council for the  
15 past year and a half. We have many differences of opinions on some issues, but the  
16 one thing that we all agree upon is our sincere love and affection for this County we call  
17 home. These past few weeks have been very difficult because this Council has had to  
18 make some tough choices. We do not all share the same philosophy about the role of  
19 government. I believe that budgets are not just about dollars and cents, but also about  
20 the role that it plays in the lives of the people who make our community extraordinary. I  
21 ran for the Council because I really believe in making a difference. We all speak for  
22 thousands of people who we will never see and what we do here affects their lives in a  
23 very profound way. They have put their trust in us as their representatives and it is  
24 something that I do not take lightly. The experiences in my life have provided me a lens  
25 through which I see the world. I am not a stranger to struggle. Not many years ago, as a  
26 single mom raising two children, I worked as a grocery checker at a Safeway store. I  
27 belonged to the United Food and Commercial Workers International Union. [ applause ].  
28 I lived in subsidized housing and my salary qualified me for food stamps. I know what it  
29 takes to make it on very little money with very few options. I have a fundamental  
30 difference of opinion with those who would break contracts that were negotiated in good  
31 faith with the Executive and the Board of Education. Our employees deserve better than  
32 that. [ applause ]. As a former member of the Board of Education and as the current  
33 Chair of the Education Committee on this Council, I have worked very hard to bring to  
34 light the difficulties that many in our communities face every single day. Closing the  
35 achievement gap has been one of my top priorities. There is a direct correlation  
36 between poverty and achievement. The late Senator Paul Wellstone often spoke about  
37 fundamental rights of a high quality public education and sponsored an amendment to  
38 the Elementary and Secondary Education Act that would provide appropriate  
39 accommodations for students with limited English proficiency and those who had  
40 disabilities. He said this during a speech at a teacher's college. That all citizens will be  
41 given an equal start through a sound education is one of the most basic promised rights  
42 of our democracy. Our chronic refusal as a nation to guarantee the right for all children,  
43 including poor children, is a national disgrace. It is rooted in a kind of moral blindness or  
44 at least a failure of moral imagination that we do not see that meeting the most basic



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1 needs of so many of our children condemns them to lives and futures of frustration,  
2 chronic underachievement, poverty, crime, and violence. It is a failure which threatens  
3 our future as a nation of citizens called to a common purpose, allied with one another in  
4 a common enterprise, tied to one another by a common bond. Each year, our public  
5 school system must teach more children who arrive at our doors that do not speak  
6 English and we must also come to grips with the fact that almost 26% of all children  
7 enrolled in our public school systems qualify for free and reduced meals. Our  
8 foreclosure rates are second only to Prince George's County and in Silver Spring and  
9 other areas in the east County, hundreds of families have lost their homes to  
10 foreclosure. And we have not seen the worst of this trend. For many, the cost of living in  
11 our County is a dream that is out of reach. The annual income needed to afford a fair  
12 market two bedroom apartment in Montgomery County is \$53,000 a year. The income  
13 needed to afford a fair market three bedroom apartment is almost \$68,000. Recently, as  
14 a way to reach out to residents where they lived, I have been taking the bus from my  
15 home in Silver Spring to my offices here in Rockville. Not only have I learned firsthand  
16 about the challenges associated with transit routes and packed buses, I have been able  
17 to talk with people who would not otherwise have the time or the opportunity to talk with  
18 an elected official. I spoke to members of working families, single moms working two  
19 jobs to make ends meet, and senior citizens who can't afford to pay the rising cost of  
20 food and gasoline. The County Executive sent over a budget that required the Council  
21 to cut \$51.1 million from the Board of Education's recommended budget. In my opinion,  
22 these cuts would have been catastrophic and would have had a negative impact on  
23 teaching and learning. The Education Committee restored \$28.6 million from the  
24 Executive's mark. The Board of Education did not send us a budget packed with new  
25 initiatives and extras. Instead, this budget focused on the essentials needed to continue  
26 to operate a top notch school system which our residents expect and our children  
27 deserve. Paul Wellstone also noted in the same speech and he said, we cannot close  
28 the achievement gap until we close the gap in investment between poor and rich  
29 schools, no matter how motivated some students are. We know what these key  
30 investments are, quality teaching, parental involvement, and early childhood education,  
31 just to name a few. I want to now thank my colleagues for their patience and  
32 understanding. I know that sometimes I show my heart on my sleeve. I have quoted  
33 from Paul Wellstone twice today and I want to close by repeating a story that he often  
34 told at the end of many of his speeches. He quotes from the noted abolitionist Wendell  
35 Phillips who was not afraid to speak out on the subject of injustice regarding slavery.  
36 After a fiery speech a friend of his came up to him and said, Wendell, why are you so on  
37 fire? Wendell turned to his friend and said brother, I am on fire because there are  
38 mountains of ice before me to melt. We still have mountains of ice before us to melt.  
39 And I look forward to working with each and every one of you to do just that. Thank you  
40 all very much. [applause].

41  
42 Council President Knapp,  
43 Councilmember Floreen.  
44



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1 Councilmember Floreen,

2 Thank you. I have been anxious about this budget from the get-go because of my  
3 concerns about our being able to afford it. And so I introduced a carbon surtax that we  
4 have enacted that gets us some additional revenue to take the burden off of the  
5 residential property taxpayer. I have proposed a couple of times that we all hold hands  
6 and dive into this and take a couple of steps towards reducing spending. They have not  
7 been well received. And I appreciate that. This is a Council committed to providing  
8 services that our residents demand. And certainly we see in this room and on the  
9 streets and in the community and in every portion of Montgomery County a request for  
10 more services. We, so I would like to say I think it has been a legitimate quest but at the  
11 end of the day we have got a reconciliation list that nine of us, unanimously, or eight of  
12 us, that is true, eight of us unanimously support. It goes towards things such as our  
13 clean energy initiatives, our health and human services priorities, community support for  
14 people doing what government cannot do in our community grants programs, most  
15 importantly, our Fire and Rescue and our police support to communities. And then of  
16 course the community college and the Park and Planning Commission that provides  
17 critical places for respite for our residents. So I will say I support this budget. I think with  
18 our commitment that we can afford it. I think under the scenario, under, the stones that  
19 we have turned over have found us the resources that will allow us to pay for this  
20 budget. And I compliment the Council President and all the Committee members here  
21 for their hard work in trying to find things we could do without, and committing to doing  
22 the things that we need to do. This is not easy, but again, with the unanimous  
23 commitment to these additional needs on this reconciliation list, I think it is undoubtable  
24 that this is a budget that we can support, and we can advance, and we can explain to  
25 our residents.

26  
27 Council President Knapp,

28 I see no further comments. We have. Okay.

29  
30 Councilmember Trachtenberg,

31 Yeah. I'm going to.

32  
33 Council President Knapp,

34 Councilmember Trachtenberg.

35  
36 Councilmember Trachtenberg,

37 Yeah, I'm going to actually make some personal remarks. I think I need to do that  
38 because I have been getting an awful lot of e-mails and phone calls and I think  
39 additional clarification is in order and I want to start my remarks by actually thanking  
40 everyone for being here, but I also want to thank my colleagues who are sitting up here  
41 on the dais with me and in particular, the Council President and the Council Vice-  
42 President. You know I didn't have an easy road to get here. And my life experiences, I  
43 think many of you are aware of what they have been. And I can speak very directly from  
44 my heart to say to you, that you know there was a time in my life when I would have



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1 done anything for a union job. I have faced illness several times. Once without  
2 insurance. None of those experiences were easy. But I learned to get through things  
3 like that by basically reaching into my heart and doing what I thought was right,  
4 believing that somehow I would land on my feet. Those were words of advice that I got  
5 a long time ago when I decided to go move out on my own at the age of 16 before I  
6 started college and actually the advice that I got was from my grandfather. And I have  
7 referred to that grandfather many times to many of you in private conversations. My  
8 grandfather, as you know, was a laborer, union organizer. He started out as a  
9 longshoreman. I learned a lot from my grandfather. I also learned a lot from Marilyn  
10 Praisner. I know George invoked her memory here this afternoon. I have been very  
11 private in my memories of Marilyn for very obvious reasons because she and I were  
12 very good friends. And one of the things I want to share with you, as you know, I, as  
13 George said, have had to do a lot of things to get up to speed, didn't just mean reading  
14 MFP packets until early in the morning. I took a trip last year to the bond rating agencies  
15 which taught me a great deal. But I also clearly had a teacher and a mentor in Marilyn.  
16 And the night before she had her surgery she came into my office, and I've shared this  
17 with a few people here, and she gave me an about an inch thick list of things to do. Now  
18 mind you, she was expecting to return in six or eight weeks. She really wasn't expecting  
19 clearly that things worked out the way she did. And most of what she gave me were  
20 directives about what I needed to read and who I needed to speak to and what was  
21 going to be coming up. But one of the things she actually hand-wrote on the material  
22 that she gave to me were the words kiddo, in my absence, you must be the fiscal  
23 guardian of the Council. So, perhaps I've taken those words quite literally but I have and  
24 you'll have to forgive me for that because what I have learned in the year and a half that  
25 I have served here, is that I have an obligation to represent all million residents of this  
26 County, most of whom don't have a union card. That doesn't mean I have disrespect for  
27 any of you that are in this room. I think my votes yesterday spoke to the fact that I do  
28 support unions. My objectives all along have been to reduce the property tax by some  
29 small amount, to make sure that the needs of the vulnerable are protected. That is the  
30 theme of my entire adult life. And it comes very much from the heart, not just because of  
31 my own experiences, because of the tragedy of my son's illness, but it also comes to  
32 me, because in the work that I have done with people, I know there is a goodness in  
33 almost anyone. And I operate that way. I am straight up in what I do. But I'm also  
34 determined and up front about how I'm going to do it. So I just wanted to make clear to  
35 you where I was coming from, what my motivating factors have been. And I still believe  
36 that there is some work to be done on the budget. How we get there and where we get  
37 to I'm not quite sure just yet. But again, I'm intending on reaching into my heart and  
38 landing on my feet. And I hope that you understand that and recognize the spirit in  
39 which I have made these remarks this afternoon.

40  
41 Council President Knapp,  
42 Councilmember Elrich.

43  
44 Councilmember Elrich,



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1 I am not quite here yet on this budget. I said yesterday I was the lone vote against the  
2 Council's property tax decision. And I remain profoundly opposed to the way the Council  
3 has chosen to fund this budget. Not over the dollar amount. And I want to rest assured  
4 that I'm not quibbling over how much money we raise. But I am more than quibbling  
5 over about how this Council chooses to raise the money. It is very difficult for me to on  
6 the one hand go to folks, which includes you, and say we're about to pass on the largest  
7 tax increase possible and know that the Council chose the most painful way to pass it  
8 on to the majority of taxpayers in this County. It was not necessary for us to rearrange  
9 the County Executive's proposal in order to raise the money necessary to fund this  
10 budget. I strongly supported the Executive's proposal. I continue to support the  
11 Executive's proposal. I think he did the right thing. I think he made the right step to  
12 continue to try to shift the tax burden off the taxpayers of this County and more toward  
13 the wealthy and more toward the commercial side of our tax base. We know that over  
14 time the base has been shifted from commercial property onto the backs of working  
15 people. This was our chance to continue a policy of trying to reverse that trend and  
16 trying to make those that have the ability to pay, pay so that those that don't have the  
17 ability to pay, pay less. Now, as in the discussion about why we should give developers  
18 more density, we now have raised the specter of, we will protect renters by shifting the  
19 burden off commercial property. Just like we will get more affordable housing if we give  
20 the developers more bonus density. People discover their love for the renters and the  
21 poor amazingly when we decide we're going to help the wealthy. I love that  
22 combination. If you look at what this, what the increase does for rental property, yes the  
23 percentages are high. That is what statistics are. Statistics are really good for what you  
24 decide to pick and use. I looked at buildings in my ward in Takoma Park where the  
25 impact on the household would be on the order of \$5 a month up to about \$8 a month.  
26 Rent is at \$800 a month, \$5 to \$8 increases. In contrast to our tax proposals which will  
27 raise taxes on people whose property who is worth \$100,000, \$200,000 on the order of  
28 3 or \$400 a year. I don't think it is necessary to go there and I'm not ready to go there.  
29 And I hope the Council thinks over the next 24 hours of perhaps a more equitable way  
30 to split this baby. Maybe there is a place between the Executive's number and where  
31 the Council came out the other day. But my gravest concern is that if we're going to do  
32 this budget and we're going to raise these many taxes on middle class and working  
33 class people in this County, we should minimize the hit on working class and middle  
34 class people in this County. This debate over whether we should take a cola hit of 1%,  
35 for many families out there, what we're going to do to you in property taxes is going to  
36 take the money we gave you on the one hand and pull it back out of your pockets on the  
37 other hand. So why do it? I think that we should look for a more equitable solution. I  
38 think there are going to be more discussions on this. I know, I hope you all realize this  
39 budget will not get seven votes today. And so this discussion will continue for another  
40 24 hours. I hope in the process of 24 hours that everybody listens to everybody else,  
41 that there are, as Valerie said, many different opinions on this Council, but I think  
42 everybody has worked in good faith to try to get to a resolution. And I think we need to  
43 continue to work at this. I mean 4-4 is a difficult place to be. I think that there is, you  
44 know, we need to cool down, step back, and think, and try to come up with a solution in



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1 the next day or so before we go to the bond rating agencies next Tuesday that has  
2 some credibility. Like I said, my greatest concern is how we have chosen to fund this  
3 budget. I think there are some other things we can do and I think there are some other  
4 things we need to talk about. I come out of a labor background. Like Valerie, I spent  
5 time with my family on food stamps. I know what that's like. I've been a teacher. I've  
6 been a shop steward in the union, in my, a building rep for my building, I went to union  
7 meetings for years. I understand that side of this equation. I understand this, I think  
8 George pointed out, that you can't cut services without affecting employees. There is no  
9 magic bullet to make County government cheaper that doesn't have an impact on the  
10 employees here. And so employees are absolutely essential to providing the kind of  
11 services that our residents expect. And I have never believed that employees should be  
12 the place we look first and easiest in order to save money, but I will say in, you know, in  
13 defense of the MFP Committee and some of the criticisms that were leveled at it, that  
14 was not the place that anybody looked first. And the hand they were dealt in terms of  
15 the resources that they were evaluating at the time were more limited than the  
16 resources that we have been discussing over the last week. I think everybody here has  
17 labored hard to try to reach agreement. I think as Mike pointed out, the reconciliation list  
18 has unanimous agreement on the Council. There are things I would have added to the  
19 reconciliation list that are not on the reconciliation list. I wish we were doing more, not  
20 less. I wish that there were, you know, I've been on a Committee where we've been  
21 talking about, what do we do with the children? How do we close the achievement gap?  
22 What are we going to do with a large number of children who aren't successful in  
23 Montgomery County schools? What kind of programs are we going to need to address  
24 that? I know that that is going to cost money and I know that finding that money is going  
25 to be a challenge. And that is why I've raised the issue both for the school system and  
26 for the Executive side to look very closely at how we spend the money and how are our  
27 departments and our governments organized because we cannot afford to spend  
28 money where we don't need it or in ways that are inefficient if we're going to have any  
29 hope of spending money on things that we think are important. And I think there are  
30 more important things for us to do. I look forward to the ongoing discussion over the  
31 next day. I appreciate everybody who is here and all the communication that you all  
32 sent to us. I think you're an important part of the equation and we have got a lot to think  
33 about.

34  
35 Council President Knapp,  
36 Councilmember Leventhal.

37  
38 Councilmember Leventhal,  
39 Well, I didn't know that there was going to be a 4-4 vote, but Mr. Elrich has told us that.  
40 We haven't actually seen the vote yet. But it sounds like Mr. Elrich is, Mr. Elrich would  
41 be willing to vote for the Council President's budget if there were some movement on  
42 property tax rates. Is that correct? Mr. Elrich is not looking for any movement  
43 whatsoever on employee compensation. I'd like to be very clear on that. Is that correct?



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1 So that if this Council is willing to make some modifications on the property tax burden  
2 then we can pick up Mr. Elrich's vote and govern this County? Am I correct about that?

3  
4 Councilmember Elrich,  
5 George, you could get my vote and you don't get seven. And I think the reality is that  
6 that's where we are. Maybe we'll have the vote and we'll find out.

7  
8 Councilmember Leventhal,  
9 So you're just concerned about the property tax allocation.

10  
11 Councilmember Elrich,  
12 George.

13  
14 Councilmember Leventhal,  
15 You don't want to hit the employee compensation.

16  
17 Councilmember Elrich,  
18 I'm going to make a proposal that is different than what's on the table. And I will make it  
19 tonight or tomorrow morning.

20  
21 Councilmember Leventhal,  
22 I really would like to clarify so that we could get it.

23  
24 Council President Knapp,  
25 Hold on.

26  
27 Councilmember Elrich,  
28 I said.

29  
30 Councilmember Leventhal,  
31 Mr. Transparency, let's have some transparent conversation here. Is the issue for Mr.  
32 Elrich.

33  
34 Council President Knapp,  
35 Okay. Okay.

36  
37 Councilmember Leventhal,  
38 Who's just announced he's going to vote against the budget.

39  
40 Councilmember Elrich,  
41 Are you the prosecutor here?

42  
43 Council President Knapp,  
44 Guys. All right. Hold on.



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1  
2 Councilmember Leventhal,  
3 Mr. President, who has the floor?

4  
5 Council President Knapp,  
6 Mr. Leventhal retains the floor but, hold on, hold on.

7  
8 Councilmember Leventhal,  
9 I was recognized, I could have the floor.

10  
11 Council President Knapp,  
12 In response to the question.

13  
14 Councilmember Leventhal,  
15 I was recognized. I think I have the floor. I do think it will be important since Mr. Elrich  
16 has now stated, I wasn't aware of it, I thought we were going to have a vote, but I guess  
17 Mr. Elrich has, is privy to information that the rest of us are not. Since I actually hadn't  
18 seen the vote, but Mr. Elrich has already called out the numbers. So, Mr. Elrich stated it  
19 is going to be 4-4. I thought we were doing this in public, transparently. So let us ask,  
20 transparently, what are the issues here? If the issue is property tax burden, I think that  
21 is a valuable conversation to have because I have been ambivalent about exactly what  
22 the incidents ought to be and exactly who ought to get a hit and how much. I think that's  
23 a very valid conversation to have. So I'd just like to get it on the record. Is Mr. Elrich's  
24 concern property tax, the incidents of the property tax? Or is Mr. Elrich's concern  
25 employee compensation?

26  
27 Council President Knapp,  
28 Marc, you have the floor. Hold on. Mr. Leventhal do you yield the floor?

29  
30 Councilmember Leventhal,  
31 The question was directed to Mr. Elrich.

32  
33 Council President Knapp,  
34 Mr. Elrich.

35  
36 Councilmember Leventhal,  
37 Who let us know in advance the result of the vote.

38  
39 Council President Knapp,  
40 Hold on. Hold on.

41  
42 Councilmember Leventhal,  
43 I don't know how he knew that.





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1 Council President Knapp,  
2 Mr. Elrich now has the floor.

3  
4 Councilmember Elrich,  
5 Mr. Elrich has a sense of the vote because Mr. Elrich has had the benefit of the –  
6 diplomacy of other members of the Council who have gone back and forth, explaining  
7 where people's positions were. It's kind of easy to read when you've got a, you know,  
8 diplomacy going on. I don't think it is any secret any more than you know where the  
9 divisions on this Council are. So to pretend that we don't know what we know is kind of  
10 silly.

11  
12 Council President Knapp,  
13 Wait.

14  
15 Councilmember Elrich,  
16 My position George, and I said it from the beginning, was that I have looked for every  
17 way possible to try to fund these contracts and if I could fund them, I would.

18  
19 Councilmember Leventhal,  
20 The Council President is proposing.

21  
22 Council President Knapp,  
23 Hold on. Mr. Leventhal. Mr. Leventhal. You have not been recognized. Okay. What we  
24 have before us now is the aggregate, a straw vote on the aggregate Operating Budget  
25 as presented by the Council's votes to date. All in support of the aggregate Operating  
26 Budget as presented, please raise your hand. Councilmember Leventhal,  
27 Councilmember Ervin, Councilmember Floreen, and myself. Those opposed?  
28 Councilmember Berliner, Councilmember Trachtenberg, Councilmember Elrich, and  
29 Council Vice-President Andrews. The vote does not pass failing to meet the required  
30 seven votes, ultimately that we will need to achieve the charter limit. Council Vice-  
31 President Andrews.

32  
33 Councilmember Andrews,  
34 Thank you Mr. President. I want to begin by noting that Council President Knapp has  
35 worked extraordinarily hard as have my colleagues during this budget. And I think that  
36 the Committees have worked as well as I have ever seen them. And I thank the Council  
37 President, and I thank my colleagues for all that has gone on. And I think that in many  
38 ways this budget has many excellent aspects to it. But it is missing one important piece.  
39 If you look at what the budget asks of people, it asks a lot of taxpayers, it asks  
40 something of service recipients, people who are dependent on the County for services,  
41 whether it is directly delivered by employees or not. It asks something of retirees.  
42 Retirees are going to pay higher prescription drug prices with no corresponding benefit.  
43 It does not yet ask something of employees. I believe it needs to. That is why I voted  
44 against the budget today. I believe that this Council can get to seven votes and get to a



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1 budget that addresses that principle that everybody needs to be part of the solution.  
2 Clearly there are a lot of ways to do that. And one of the ways that was rejected  
3 yesterday by the County Council was the proposal by the Management and Fiscal  
4 Policy Committee to find \$40 million in employee savings. That was rejected, so I think  
5 we need to look at some other possibilities. I don't think that the principle that all  
6 stakeholders should participate is one that has been explored in all its possibilities. And  
7 I am very open to hearing ideas from my colleagues. But I will also put one forward that  
8 I think is worthy of consideration. And I would ask my colleagues to think about it. I'm  
9 not proposing it as a motion today. But I think it is something the Council should take  
10 under consideration over the next day or so or whenever we next come together. And it  
11 may be as early as tomorrow. And I hope that we will get some feedback from those,  
12 whoever would care to react to that. Now the approach that I preferred was the one that  
13 was rejected. And that was a cola reduction. I think that was, had many advantages to  
14 it, it achieved some permanent savings at a difficult time and it is something that.

15  
16 Council President Knapp,  
17 Folks. We'll have order.

18  
19 Councilmember Andrews,  
20 Would apply to all County employees. However, the Council has made clear that that is  
21 not what it wants to do, and I have to respect that. What I would like to have the Council  
22 consider at the appropriate time is an alternate proposal that would generate less  
23 savings. I understand that 40 million was not an amount that my colleagues were  
24 comfortable supporting and that they voted against. And I respect that. And I  
25 understand that my colleagues don't support reducing colas. So I got that message.  
26 What I propose is the Council look at, realizing approximately \$20 million in savings,  
27 about 20 and a half from two days of furloughs from employees in the County  
28 government and in the school system. These could be days that would be taken  
29 according to how the agencies work them out with their employees. I don't think it would  
30 be wise for us to tell them exactly how to do it. There is enough management skill, I am  
31 confident, in our County government and in the school system to figure out how to do  
32 this in a way that does not have a negative impact on services. And it is an amount that  
33 I think is fully absorbable since two days out of a work year of 250, or perhaps slightly  
34 less in some cases, is less than 1% of a work year. I believe that we have very  
35 competent managers as well as very able employees in our County. I think that could be  
36 done in a way that would have almost no impact on the public, but would achieve \$20  
37 million in savings that would help the Council in a couple of ways. One, it would help us  
38 reduce the amount of the property tax increase that has been proposed, which is a very  
39 substantial increase for our County residents. And I have said and I will say it again that  
40 we have to be very concerned about the impact on our nearly one million County  
41 residents in terms of the impact of this budget as well as the impact on employees. Just  
42 as it would not be fair to ask employees to shoulder the whole cost of closing a budget  
43 gap, I don't think it is right to ask only other groups to shoulder the share. And we are  
44 already asking those groups. Again, taxpayers, recipients of services, and retirees. So I



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1 suggest this proposal as an alternate approach. I hope that my colleagues will consider  
2 it. If there are questions I hope we can get the answers to them. I believe this can be  
3 done. It has been done in other situations. And while I don't think it is an ideal approach,  
4 I think it achieves the goal of having everybody help in closing a nearly \$300 million  
5 budget gap. And I think that is the fair and appropriate thing to do.

6  
7 Council President Knapp,

8 Thank you very much. I appreciate the proposal that has been presented. At least it  
9 puts a starting point for discussion on the table. I would ask our staff Director if we could  
10 get feedback as it would relate to both County government and MCPS as to what the,  
11 how a furlough could or would be implemented so we could actually have that for  
12 discussion, just so we have that information and any other information that could be  
13 relevant as it relates to the potential savings or other aspects associated with it just so  
14 at least we can flesh out the proposal as put forward by the Council Vice-President.  
15 Councilmember Berliner.

16  
17 Councilmember Berliner,

18 Thank you Council President. I want to thank the Council Vice-President for making his  
19 suggestion. I think it is an important suggestion. I think it has the potential to move the  
20 Council towards finding common ground. It has a number of advantages. First, based  
21 on my research regarding the last time this possibility was raised, it does not modify the  
22 contracts. It does not break the contracts. It fully funds the contracts. We would still be  
23 honoring contracts by adopting a two day furlough. Its other principal advantage is that it  
24 would provide for a meaningful contribution by our employees to our County's budget  
25 problem. I think that is a critical consideration given that we are undoubtedly going to  
26 bust the charter limit by at least \$117 million. The most in the County's history. And  
27 while we must exceed it, that reality does not diminish the pain it will cause our  
28 constituents, who are already being squeezed by increased taxes, increased prices,  
29 decreased credit, and falling housing values. Each of us on this Council have our own  
30 personal antenna that we use to gauge the mood of our constituents. And mine tells me  
31 that our constituents are angry. Very angry. I wish we could respond to that anger by  
32 making more meaningful cuts in the size of the County budget, the budget that we are  
33 ultimately likely to approve will slow the rate of growth. And that is a good thing. While  
34 still preserving essential public services that we all rely upon and expect of our  
35 government. I will concede that it is certainly true as my colleagues have pointed out,  
36 that we can find ways to fund the budget without employee participation in any form.  
37 And I would say to you, that doesn't answer the question as to whether that is the right  
38 thing to do in this moment in time. In my judgment, if we do not find an acceptable  
39 means by which employees can participate in helping us through this crisis, the  
40 backlash we may experience could be far more damaging to our workers than making a  
41 modest contribution now. Enlightened union leaders know this to be true. As angry as  
42 our taxpayers are, as hard-hit as they have been, I think that asking them to shoulder  
43 the entire burden will create tremendous ill-will. And if that position ultimately prevails, I  
44 think it could prove to be a -- victory. In November, we will face another Ficker



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1 amendment on the ballot. And to the extent to which we simply dump the entire problem  
2 in the laps of our taxpayers, I think we run the risk of feeding an anti property tax frenzy.  
3 The suggestion that we explore a two-day furlough would not result in our employees  
4 taking a huge hit. That would not be fair given how hard they work, the cost of living,  
5 and their hard-won contracts. But it would produce a \$20 million contribution to our  
6 budget, would allow us to reduce the property tax burden by 20 million below the  
7 County Executive's record-breaking figure, and represents a middle ground between the  
8 Committee's recommendation that was rejected and nothing at all. From my  
9 perspective, this issue is larger than the dollars, larger than the politics. It is about  
10 whether we are all in this together. We cannot feed into an us versus them mentality.  
11 And while there are some who scoffed at the notion that what is required now is to  
12 embrace the principle of shared sacrifice, I think that is exactly what is required. I  
13 believe our social compact, that which binds us together to get through the tough times,  
14 calls upon us to embrace a solution that asks for more from both workers and  
15 taxpayers. So I sincerely hope my colleagues, our friends in the union leadership, and  
16 the school system will give serious consideration to this proposal as a fair way to get us  
17 seven votes, and an equitable sharing of the burden of this budget. I thank the Council  
18 President.

19  
20 Council President Knapp,  
21 Councilmember Leventhal.

22  
23 Councilmember Leventhal,  
24 I, excuse me, I enjoy working with all my colleagues. I appreciate hearing what Mr.  
25 Berliner believes and I don't question his sincerity. We just heard Mr. Berliner state a  
26 number of things that he believes. I believe that if voters in Montgomery County were so  
27 enamored of Robin Ficker, they would have elected Mark Fennel on Tuesday. And that  
28 didn't happen. I want to understand from the County Attorney and from Mr. Adler and  
29 his staff whether a contract consists of a certain number of days per year, and whether  
30 full compensation is defined in a certain way in a negotiated agreement. My friend and  
31 colleague Mr. Berliner has asserted that paying people for less than two days, I'm  
32 asking actually Mr. Adler, I mean, it's good to see you Mr. Renne, I don't, I'm glad you're  
33 coming to the microphone. [laughter]. You know, actually, if Mr. Adler could maybe.

34  
35 Council President Knapp,  
36 What I would propose.

37  
38 Councilmember Leventhal,  
39 Join us.

40  
41 Council President Knapp,  
42 Hold on. Mr. Leventhal, what I would propose is, since we don't actually have a motion  
43 in front of us, we just have this concept, what I would ask Councilmembers to, if they  
44 have questions, let's identify the questions.



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1  
2 Councilmember Leventhal,  
3 Yeah.

4  
5 Council President Knapp,  
6 And let's present them, not to get answers right this second.

7  
8 Councilmember Leventhal,  
9 That is okay.

10  
11 Council President Knapp,  
12 Let's present them and then we can get feedback.

13  
14 Councilmember Leventhal,  
15 We'll that's okay. I'd like to outline what some of my questions are.

16  
17 Council President Knapp,  
18 Please.

19  
20 Councilmember Leventhal,  
21 Okay. So the assertion has been made here that denying two days of pay does not  
22 constitute breaking contracts that relate to compensation for a full year's work. And I'd  
23 like a legal opinion as to whether that is accurate. I would like to understand how you  
24 can have every County employee work two days less without changing the work load at  
25 all. And at the same time what is going to be the effect on overtime, which has been the  
26 real problem that to the extent that I've heard anger, and I want to talk about the anger  
27 of our constituents in just a minute. But I have heard concerns about overtime, because  
28 we had a couple of fire captains who make more than \$200,000 a year, even though  
29 most of our firefighters make less than \$50,000 a year, I don't know most, but some  
30 significant number of them. They're starting out in the 40s. They're making in the 50s  
31 and 60s, and over time they get very senior over a life long career and they make in the  
32 high end. But they're not, their base pay is nowhere near 200,000. We had a couple of  
33 cases where overtime was excessive and that's a concern. But the work load doesn't  
34 change. We learned in the HHS Committee that restaurant inspectors, health inspectors  
35 have a check list that they have to go through. And if you add something like trans fat, it  
36 takes 15 minutes more for each inspection. And when you have hundreds of restaurants  
37 in the County, 15 minutes in the aggregate mean you've got to hire more health  
38 inspectors. But the effect of this furlough is not hiring more staff. Now, I would say the  
39 effect of the reconciliation list is hiring more staff. It seems to me that we're working  
40 exactly across purposes by voting for our reconciliation list that adds fire and police  
41 recruits, but then telling every fireman and every policeman you got to stop work for two  
42 days. And I hope if I or someone in my family has a heart attack that the firefighter and  
43 the EMS technician that is supposed to come to our house is not on furlough that day.  
44 So I have a number of questions about these furloughs. But I want to understand how



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1 they're going to effect overtime. If you're picking up trash, there is the same amount of  
2 trash to be picked up. If every solid waste services employee has got two days less  
3 work, it's not two days less trash or two days less recycling, so what's going to be the  
4 effect on overtime. I don't think we're going to save very much money. I don't think the  
5 school system is going to play. I said this yesterday. We don't have the power to compel  
6 the school system to tell all its employees to take two days off. We don't have that  
7 power. And I don't think the school system is going to do it. So as I said yesterday,  
8 you're going to be taking your pound of flesh out of 10,000 County government  
9 employees, where arguably we have the power to do it although I think it is breaking  
10 contracts, but we'll find out, we'll get a legal opinion about that. So arguably you can go  
11 after the 10,000 employees, but 21,000 employees in MCPS are going to be untouched.  
12 I'm telling you. That's going to be the result. And I don't think that's equitable. And  
13 finally, I appreciate Mr. Berliner stating that he believes his constituents are angry. Many  
14 of the constituents who e-mail us are angry. So we hear from angry people.

15  
16 Councilmember Trachtenberg,  
17 And we're used to it.

18  
19 Councilmember Leventhal,  
20 And you know the truth is.

21  
22 Council President Knapp,  
23 That one in a hurry, don't you.

24  
25 Councilmember Leventhal,  
26 The truth is.

27  
28 Councilmember Trachtenberg,  
29 Occasionally they send flowers.

30  
31 Councilmember Leventhal,  
32 The truth is the people we hear from are not always representative of all the people we  
33 work for. And most of the people we work for don't even know we're debating a budget  
34 today. [applause]. Most of the people we work for don't even know we're debating the  
35 budget today. Most of the people we work for are trying to get through their lives, trying  
36 to earn a living, trying to support their families. They're not spending a lot of time  
37 thinking about what we do here. And if you ask them, do they want to pay more taxes,  
38 they will, say no please, I don't want to. And if you ask them, do you want to see cuts in  
39 services, they will say no, I don't want to see cuts in services. And if you ask them, are  
40 you angry because you have to pay more taxes, they'll say, yeah, it makes me angry, I  
41 don't want to pay more taxes. And if you ask them, are you angry at the guy who  
42 collects your trash, are you angry at the guy who drives the ride-on bus in your  
43 neighborhood, are you angry at the policeman who responds when you come home late  
44 at night and your window has been jimmied open? Do you want to punish them? I don't



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1 think my constituents would be angry at them. I don't think they're angry at them. So I  
2 don't understand this desire to take it out on those men and women. And I don't think  
3 the people that I represent are angry at them. And I'm not angry at them. [applause].  
4

5 Council President Knapp,

6 Okay. What I would like to do, I have two other Councilmembers with questions, is to  
7 make sure we get questions on the table. For the benefit of my colleagues and anybody  
8 else who wants to participate, the Council will reconvene, once we adjourn this  
9 afternoon, at 9 a.m. tomorrow morning. And we will take up this discussion and we will  
10 hopefully have had some information come back to us between now and then. And we  
11 will work through until we get to a resolution. Councilmember Ervin.  
12

13 Councilmember Ervin,

14 My friends, there are mountains of ice before us to melt. I said this earlier. I appreciate  
15 the comments by my Council colleague, Mr. Berliner, and he referred to his antenna,  
16 and his antenna are telling him that there is trouble in the neighborhood. But that is his  
17 external antenna. I have an internal antenna. My internal antenna is all about honor and  
18 integrity. And I believe this is a breach of a contract. And we will find out in the next 24  
19 hours whether or not that is true. And I'm not afraid. So let's just go on with the  
20 conversation. We have made a commitment to the working men and women of this  
21 County. I continue to say over and over again that I honor you and the contracts that we  
22 bargain in good faith. [applause].  
23

24 Council President Knapp,  
25 Councilmember Floreen.  
26

27 Councilmember Floreen,

28 I so look forward to tomorrow. I just want to say, you know the last time we had this  
29 issue we thought we had a crisis. We brought employee representatives to the table.  
30 And people agreed there was a problem. And a resolution was agreed to by the players.  
31 I have to say I don't see the crisis, particularly since we have just added \$25 million to  
32 the budget. There is an easy answer. If you don't want to add \$20 million of spending to  
33 the budget, and it is what we did with the item before this. The reconciliation list. I'll  
34 simply point that out. Obviously that is going to be in play this evening. But I am  
35 bewildered as to what the crisis is. Having agreed to, I don't know how many, what is  
36 the number of this budget? Steve? What is it, 4 billion.  
37

38 Stephen Farber,

39 Yes, it's just over \$4 billion.  
40

41 Councilmember Floreen,  
42 Four point what?  
43

44 Stephen Farber,



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1 Well, I think it was.  
2  
3 Councilmember Floreen,  
4 Four point more. [laughter].  
5  
6 Stephen Farber,  
7 4.3 total.  
8  
9 Councilmember Floreen,  
10 \$4.3 billion budget. And at the last minute we're looking at a very modest reduction  
11 taken out of the backs of the people who provide the \$4 billion worth of services.  
12 [applause].  
13  
14 Council President Knapp,  
15 Hold on, let her finish.  
16  
17 Councilmember Floreen,  
18 So as I said, I look forward to tomorrow. But I do not see the crisis.  
19  
20 Council President Knapp,  
21 Okay. The Council is adjourned until 9:00 a.m. tomorrow morning.  
22